their manufacturing efficiency. The outliers whose existing retention prices will be higher than the group concession rate by 20%, are to be granted an adjustment phase of one year during Stage-I. In this Stage, such outlier units will get rate of concession based upon group weighted average (excluding outliers) and a structural adjustment which will be 50% of the difference between their respective retention price and the group weighted average excluding outliers.

The financial impact on different units will depend upon their levels of operational efficiency.

It is expected that at the end of this adjustment phase of one year, the inefficient outlier urea units will be able to attain efficiency levels of their respective groups.

The new scheme aims at greater transparency, uniformity and efficiency in subsidy disbursements to urea units and will induce urea manufacturing units to take cost reduction measures and be competitive.

Prices of medicinal formulations

†352. SHRI KRIPAL PARMAR: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that manufacturers have made comprehensive hike in the prices of some medicinal formulations;

(b) if so, the reasons therefor;

(c) whether Government propose to review the price structure of these formulations and bring the prices at reasonable level wherever necessary so that medicines are available at fair prices to common people; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH): (a) to (d) For a scheduled formulation, a manufacturer is required to follow the price fixed by the Government in accordance with the provisions of the Drugs (Prices Control) Order, 1995. Prices of non-scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like

†Original notice of the question was received in Hindi.

cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality, etc. The Government takes corrective measures where the public interest is found to be adversely affected.

Functioning of fertilizer companies

†353. SHRIMATI SAROJ DUBEY:
SHRI MOOLCHAND MEENA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that fertilizer producing companies have been held responsible for their functioning;

(b) if so, the details thereof; and

(c) the salient features of fertilizer policy with special reference to subsidy?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH): (a) to (c) A new pricing policy for urea units has been formulated keeping in view the recommendations of Expenditure Reforms Commission for replacing the existing Retention Price Scheme (RPS). The new scheme will aim at greater transparency, uniformity and efficiency in subsidy disbursements to urea units and will induce urea manufacturing units to take cost reduction measures and be competitive. The new scheme will be implemented in stages. Stage-I would be of one year duration, from 1.4.2003 to 31.3.2004. Stage-II would be of two years duration, from 1.4.2004 to 31.3.2006. The modalities of the subsequent stages would be decided after review of the implementation of the Scheme during the Stage-I and Stage-II.

There will be six groups based on vintage and freestock for determining the group based concession under the new Scheme, namely, pre-1992 gas based units, post-1992 gas based units, pre-1992 naphtha based units, post-1992 naphtha based units, fuel oil/low sulphur heavy stock (FO/LSHS) based units and mixed energy based units.

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†Original notice of the question was received in Hindi.